

Before the
UNITED STATES COPYRIGHT BOARD
LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of:

DETERMINATION OF RATES
AND TERMS FOR MAKING AND
DISTRIBUTING PHONORECORDS
(Phonorecords IV)

Docket No. 21-CRB-0001-PR (2023-2027)

**NOTICE OF ERRATA IN THE WRITTEN
DIRECT TESTIMONY OF RICHARD WATT (PHD)**

National Music Publishers' Association and the Nashville Songwriters Association International (together, "Copyright Owners") hereby notify the Copyright Royalty Judges of the following errata contained in the Written Direct Testimony of Richard Watt (PHD) from Volume VI.B of Copyright Owners' Written Direct Statement filed in the above-captioned proceeding, and respectfully submit the following corrections to be made thereto:¹

- The figures in Table 4 should be corrected to reflect the following:

	Publishers	Record Companies	Services
Industry 2019 costs			

- The figures in Table 5 should be corrected to reflect the following:

	$k = 0$			$k = 1$		
	Publishers	Labels	Services	Publishers	Labels	Services
$q = 0$	32.1%	45.5%	22.4%	35.1%	48.5%	16.4%
$q = 0.1$	36.4%	49.7%	13.9%	40.0%	53.3%	6.7%
$q = 0.2$	40.7%	54.0%	5.3%	44.8%	58.2%	-3.0%
$q = 0.3$	45.0%	58.3%	-3.3%	49.7%	63.0%	-12.7%

¹ The Restricted version of the Copyright Owners' Written Direct Statement was filed on October 13, 2021. The Public version was filed on October 20, 2021. Copyright Owners will separately provide additional copies of Volume IV.B of the statement reflecting the errata corrections identified herein.

- In paragraph 141, “33.0%” should be corrected to “32.1%”; “44.8%” should be corrected to “45.5%”; “1.36:1” should be corrected to “1.42:1”; “(and even closer when factoring in displaced revenues)” should be corrected to “(and even lower when factoring in displaced revenues)”; and “This is a much closer ratio” should be corrected to “This is a much lower ratio”.

- The figures in Table 6 should be corrected to reflect the following:

	$k = 0$ and $k = 1$		
	Publisher	Label	Services
$q = 0$	33.2%	46.5%	20.4%
$q = 0.1$	37.6%	51.0%	11.4%
$q = 0.2$	42.1%	55.4%	2.4%
$q = 0.3$	46.6%	59.9%	-6.5%

- In paragraph 144, “from 1.25:1 to 1.35:1” should be corrected to “from 1.29:1 to 1.4:1”.

- The figures in Table 7 should be corrected to reflect the following:

	$k = 0$ and $k = 1$		
	Publisher	Label	Service
$q = 0$	27.2%	40.5%	32.4%
$q = 0.1$	30.5%	43.8%	25.7%
$q = 0.2$	33.8%	47.2%	19.0%
$q = 0.3$	37.2%	50.5%	12.3%

- In paragraph 146, “from 1.31:1 to 1.42:1” should be corrected to “from 1.36:1 to 1.49:1”.

- The figures in Table 8 should be corrected to reflect the following:

	$k = 0$			$k = 1$		
	Publisher	Labels	Services	Publisher	Labels	Services
$q = 0$	33.9%	45.4%	20.7%	19.9%	63.8%	16.4%
$q = 0.1$	38.6%	49.7%	11.7%	21.8%	71.6%	6.6%
$q = 0.2$	43.2%	54.0%	2.8%	23.7%	79.3%	-3.1%
$q = 0.3$	47.8%	58.2%	-6.1%	25.7%	87.1%	-12.8%

- In paragraph 148, “from 1.18:1 to 1.29:1” should be corrected to “from 1.22:1 to 1.34:1”.
- In paragraph 150, “from 2.97:1 to 3.18:1” should be corrected to “from 3.21:1 to 3.39:1”.
- The figures in Table 9 should be corrected to reflect the following:

	$k = 0$			$k = 1$		
	Publishers	Labels	Services	Publishers	Labels	Services
$q = 0.36$	47.5%	60.9%	-8.4%	52.6%	65.9%	-18.6%

- The figures in Table 10 (in Appendix C) should be corrected to reflect the following:

<i>(in million USD, rounded)</i>	SMP ⁽¹⁾	UMPG ⁽²⁾	WCM ⁽³⁾	Combined 3	Industry ⁽⁴⁾
Songwriter Royalties	■	■	■	■	■
Overhead (incl A&R)	■	■	■	■	■
Marketing		■		■	■
Songwriter Royalties Lowered (50%)	■	■	■	■	■
Songwriter Royalties Raised (50%)	■	■	■	■	■

- The figures in Table 14 (in Appendix D) should be corrected to reflect the following:

	Cost assumption			
	S&M excluded, creator costs at 100%	S&M included, creator costs at 100%	S&M excluded, creator costs at 50%	S&M included, creator costs at 150%
Musical works				
Sound recording				
Streaming				

- The figures in Table 15 (in Appendix D) should be corrected to reflect the following:

	Cost assumption			
Revenue shares	S&M excluded, creator costs at 100%	S&M included, creator costs at 100%	S&M excluded, creator costs at 50%	S&M included, creator costs at 150%
Musical works	36.4	28.4	37.5	27.3
Sound recording	49.7	50.6	46.8	53.6
Streaming	13.9	20.9	15.7	19.1

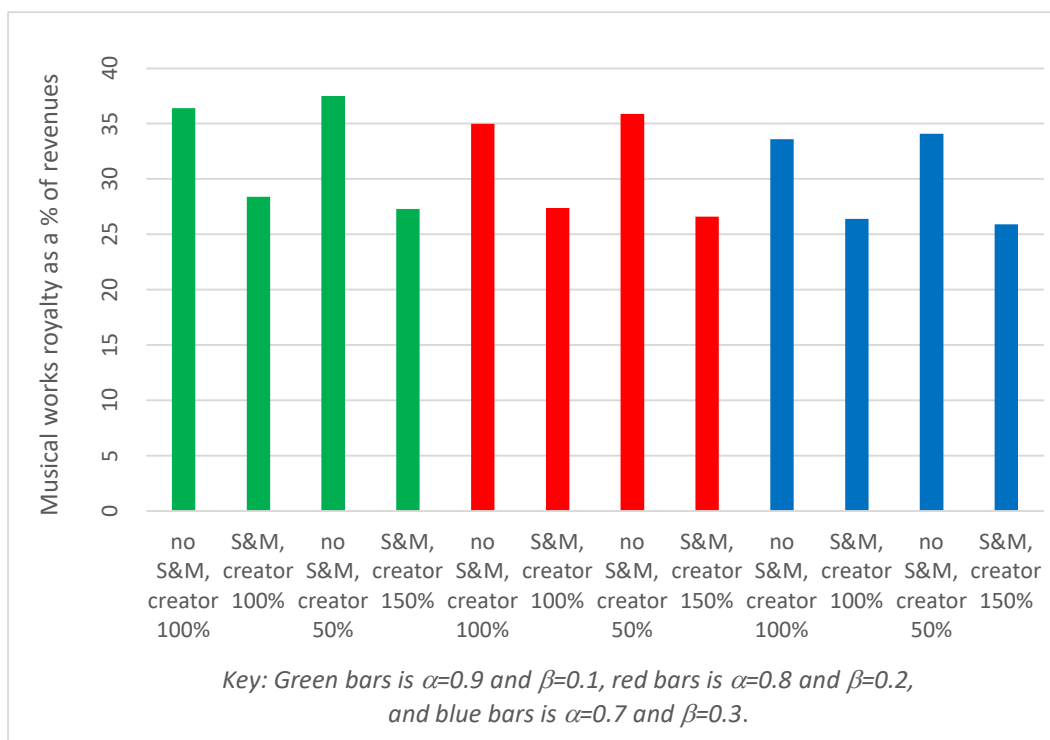
- The figures in Table 16 (in Appendix D) should be corrected to reflect the following:

	Cost assumption			
Revenue shares	S&M excluded, creator costs at 100%	S&M included, creator costs at 100%	S&M excluded, creator costs at 50%	S&M included, creator costs at 150%
Musical works	35.0	27.4	35.9	26.6
Sound recording	48.3	49.7	45.1	52.9
Streaming	16.7	22.9	19.0	20.6

- The figures in Table 17 (in Appendix D) should be corrected to reflect the following:

	Cost assumption			
Revenue shares	S&M excluded, creator costs at 100%	S&M included, creator costs at 100%	S&M excluded, creator costs at 50%	S&M included, creator costs at 150%
Musical works	33.6	26.4	34.1	25.9
Sound recording	46.9	48.7	43.4	52.1
Streaming	19.6	24.9	22.5	22.0

- The bar graph in Chart 7 (in Appendix D) should be corrected to reflect the following:



- In paragraph 219 (in Appendix D), “by around 7 percentage points” should be corrected to “by between 7 and 8 percentage points.”

Dated: November 10, 2021
New York, New York

Respectfully submitted,

PRYOR CASHMAN LLP

By: /s/ Benjamin K. Semel
Benjamin K. Semel (N.Y. Bar No. 2963445)
Frank P. Scibilia (N.Y. Bar No. 2762466)
Donald S. Zakarin (N.Y. Bar No. 1545383)
7 Times Square
New York, New York 10036
Telephone: (212) 421-4100
bsemel@pryorcashman.com
fscibilia@pryorcashman.com
dzakarin@pryorcashman.com

Counsel for Copyright Owners

Proof of Delivery

I hereby certify that on Wednesday, November 10, 2021, I provided a true and correct copy of the Notice of Errata in Written Direct Statement of Richard Watt (PHD) to the following:

Zisk, Brian, represented by Brian Zisk, served via ESERVICE at brianzisk@gmail.com

Amazon.com Services LLC, represented by Joshua D Branson, served via ESERVICE at jbranson@kellogghansen.com

Joint Record Company Participants, represented by Susan Chertkof, served via ESERVICE at susan.chertkof@riaa.com

Pandora Media, LLC, represented by Benjamin E. Marks, served via ESERVICE at benjamin.marks@weil.com

Spotify USA Inc., represented by Joseph Wetzel, served via ESERVICE at joe.wetzel@lw.com

Apple Inc., represented by Mary C Mazzello, served via ESERVICE at mary.mazzello@kirkland.com

Johnson, George, represented by George D Johnson, served via ESERVICE at george@georgejohnson.com

Google LLC, represented by Gary R Greenstein, served via ESERVICE at ggreenstein@wsgr.com

Powell, David, represented by David Powell, served via ESERVICE at davidpowell008@yahoo.com

Signed: /s/ Benjamin K Semel